

CITY OF MORGAN HILL
CITY COUNCIL AND JOINT
SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES - SEPTEMBER 6, 2000

CALL TO ORDER

Mayor/Chairman Kennedy called the meeting to order at 7:08 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Chang, Cook, Sellers, Tate and Mayor/Chairman Kennedy

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION.

PLEDGE OF ALLEGIANCE

At the invitation of Mayor Kennedy, Sal Alvarez led the Pledge of Allegiance.

RECOGNITION

None.

PROCLAMATIONS

Mayor Kennedy declared September 17 through September 23, 2000 *Constitution Week*.

PRESENTATION

Jim Randlett, vice-president of Development and Charles Smith, of Randlett-Nelson Associates, made a presentation regarding a proposal for a specialty surgery center at the former St. Louise Hospital site.

Using slides for an overview of proposed services, administration and community outreach of their plan, Mr. Smith indicated that a joint venture of local physicians is offering to provide medical input and expertise with the company's ability to manage the facility. Mr. Smith informed the Council of the Company's record of start-ups. Noting this would not be a full service hospital, he emphasized current trends in surgical centers which promote outpatient surgery, rehabilitation, physical therapy, and other ancillary services. He gave a brief overview of the company's funding and emphasized the importance of true community partnerships. He further stated that his firm is interested in turning the closed hospital into a "real working medical facility for the community." He proposed leasing the

second floor which he estimates to be 40,000 square feet and perhaps some of the first floor for ancillary, specialty services, such as an imaging department. He informed the Council that the company has experienced success with having doctors become part of their operation by establishing practices on-site or nearby Surgical Centers, noting the emphasis on building a network of state of the art medical care facilities. He indicated that the proposal included all proper licensing requirements for operating such a facility. Emergency services and ob/gyn would not be offered. He stated that current accepted medical practices place emphases on spinal care, total joint surgery, ambulatory surgical procedures, and physical therapy. He also provided an overview of space management, marketing, and community networking.

Council Member Cook requested further explanation of the joint partnering with community physicians. Mr. Randlett stated that any physician who is licensed to practice could be considered for membership in the Local Service Delivery Advisory Board. He indicated that there may be interest by other entities such as Kaiser Permanente in obtaining space in the building for use as a skilled nursing center.

Council Member Sellers requested clarification on the emergency services to be provided. Mr. Randlett stated that this would be an elective facility, not equipped to deal with true trauma-related emergencies. The facility is planned to be a "center of excellence" which would draw patients from outside the immediate service area. He spoke briefly on the future of the hospital indicating that while his company was seeking a minimum seven-year lease, they would be willing to have the lease bought out if a full service hospital wanted to reintroduce said service to the community. He assured the Council that there would be no financial burden to the City with this proposal.

Mayor Kennedy called attention to agenda item 9, COMMUNITY HEALTH CARE TASK FORCE, asking that the information presented by Mr. Randlett be printed and given to that body upon appointment, as well as all Council Members.

Mayor Pro Tempore Tate asked how Council objectives would be incorporated in this proposal? He stated that he wanted to see clear evidence of a true community partnership, with active physician recruitment and close work with the governing board.

Mr. Smith indicated that the business plan allows the operation of a center for profit and that it would be fool hearted to add services that would have a detrimental effect on the services to be provided. He would be willing to identify needs. He indicated that he has an operator who can step up as a full service hospital as long as the surgical facility is allowed to relocate and continue with the business plan. At the request of Council Member Cook, Mr. Smith clarified space needs.

Councilman Sellers said he was appreciative of the presentation, indicating it had raised several questions for the Council and citizens to consider.

Mayor Kennedy opened the floor to public comment.

Dr. Roger Edrington indicated that San Jose Christian College is the owner of the former St. Louise

Hospital facility/site. He expressed uncertainty as to the City's involvement in a potential lease of the facility. He questioned whether the City has plans for litigation against a nonprofit agency to turn over the facility to a for-profit company? He also spoke on the obligation required for the medical community's time and effort in obtaining input and assistance with the proposal. He indicated that an application to rezone the property for an educational use has been submitted to the City.

Ralph Lyle, member of the public, also indicated the need for clarification, saying it was his understanding that the needs of the community reflect that urgent care is a high priority. He expressed concern with the financial risk to the City, questioning whether Randlett-Nelson Associates would be prepared to pay lease-fees on the actual value of the facility. He inquired what would happen financially if another group wanted to open a full service hospital and this management were to agree to leave?

City Manager Tewes stated that a letter had been received this date from the Morgan Hill Health Organization stating they had been made aware of the actual appraised value of the facility and expressed continued interest in obtaining interest in the property.

Council Member Cook expressed concern with the financial risk to the City and the limited services proposed.

Mayor Kennedy stated that there was no implication that the license proposed could not be converted to full-service when warranted, nor was there a definite proposal of financial risk to the City.

Council Member Cook expressed concern with the City retaining any power of a privately owned hospital which would provide only partial needed services.

Mr. Randlett stated that his organization is willing to work with local groups to provide the highest and best medical care to residents. He further stated National Surgical Hospitals are licensed as general acute care hospitals in California, thereby, permitting a broader scope of service provision than merely outpatient and related ancillary services. He emphasized that there would be no general emergency nor ob/gyn services provided.

Dr. J. T. Roussere, general surgeon in Morgan Hill, assured the Council that the proposal has broad support from the medical community. He said that there appears to be evidence that if ob/gyn services are needed, an independent provider could rent space available in the medical complex for said services. He expressed his belief that the same is true of urgent care, saying that other area physicians share his view.

Mr. Smith reiterated Randlett-Nelson Associates' desire to work with local government, physicians and the community.

No further comments were offered.

PUBLIC COMMENT

Janice Lowe, 17625 Peak Avenue, said she was speaking for concerned neighbors in the vicinity of Peak and Claremont Avenues where the existing stop sign is frequently ignored. She read from a prepared statement which was also presented to the Council, indicating the concerns of a serious traffic safety issue. She requested consideration of the following: installation of a larger stop sign and/or a stop ahead sign, speed bumps, and/or striping the crosswalk

Mayor Kennedy directed the City Manager to work with City Departments and look into the matter. City Manager Tewes conveyed that he had just this date been made aware of the concerns and that he would work to resolve the matter. He noted that school officials were in attendance this evening. He indicated that the School District has committed to work on the issue.

Joanna Schirle, 15440 Sierra Moreno Court, and Jane Marsh, 17465 Montoyo Circle, South Valley Charter School Association, made a presentation to the Council announcing a new Charter School would be opened in the City serving grades K - 6 next fall, with plans for expansion to open grades 7 and 8 in the future. The Council was given a handout which presented the mission statement of the school. Ms. Schirle said there was still a need for an appropriate site for the school, a public/private partnership was being sought, and if the Council could identify a potential site, they would welcome City involvement.

Council Member Sellers spoke of his interest in the project, saying he was honored to serve on the Advisory Board, and thanked Ms. Schirle and Ms. Marsh for their involvement in such an exciting development in the community.

No other comments were offered.

PRESENTATION

Mayor Kennedy presented Emily Baird and Don Hordeness with a proclamation, declaring September 1 through September 30, 2000 as *National Mushroom Month*.

CITY COUNCIL REPORT

Council/Agency Member Chang reported on her attendance at the South County Regional Wastewater Board. She indicated that while considerable discussion had occurred, items 7.5 and 8.5 on the agenda had been delayed with potential resolution at an October meeting. She indicated her willingness to continue working on the project.

CITY MANAGER'S REPORT

City Manager Tewes informed the Council that news for guaranteed, permanent funding of local governments was encouraging with a proposal to restore tax-shift funding to local entities. He requested Council support in asking the Governor to sign legislation which would guarantee local governments the transfer of funds over a three-year period as well as a one-time transfer of \$200 million to cities and counties from property tax revenues taken by the State some years ago.

CITY ATTORNEY'S REPORT

City Attorney Leichter was welcomed as the new City Attorney. City Attorney Leichter stated that she was delighted to have been offered the appointment.

City Council Action

CONSENT CALENDAR:

Action: *On a motion by Council Member Tate and seconded by Council Member Chang, the City Council Unanimously **approved** Consent Calendar Items 1-3 as follows:*

1. **APPOINTMENTS TO BURROWING OWL ADVISORY COMMITTEE**

Action: **Authorized** the Mayor to Appoint Planning Commissioners Joseph Mueller and Tim Ridner along with Brad Krouskup and Dick Oliver to Serve on the Burrowing Owl Advisory Committee.

2. **LOSS OF LLAGAS PARK/POND FEMA GRANT**

Action: **Informational Report Only**

3. **ADOPTION OF SPEED LIMITS IN ACCORDANCE WITH NEW ENGINEERING AND TRAFFIC SURVEY**

Action: **Repealed** Resolution No. 4884 and **Adopt** Resolution No. 5421 Establishing Speed Limits on City Streets.

Action: *It was the consensus of the City Council to consider Agenda Items 5 and 8 at this time.*

OTHER BUSINESS:

5. **TENNANT AVENUE HIGH SCHOOL SITE INCENTIVES**

Mayor Pro Tempore Tate reported that the City-School Liaison Committee has been meeting to review the Memorandum of Understanding (MOU). Discussed was the T-1 preferred Tennant/Murphy site for a new high school. Considerable discussion was held by all members regarding the siting process, with history of events being contributed by all Members.

Council Member Sellers noted the School District has very specific perimeters in their decision making, and indicated his thinking of the importance of supporting their decisions. He stated that financial consideration has to be taken into account, noting that the Sobrato site has been donated to the School District. He recommended that consideration be given to working together toward recreational facilities and recommended that the City Council discuss utilization of site acquisitions funds in an effort to bridge the financial gap for the T-1 site.

Council Member Chang raised the issue of the allocated \$8.8 million and asked if the discussions included the potential of joint recreational usage by both the District and the City? She further inquired whether the funding appeared to be adequate?

Mayor Pro Tempore Tate replied that the funding was set by the bond issue and matching monies the District could receive from the State.

Mayor Kennedy stated that money from the City would come from available recreation bond issue monies, since the City had committed to funding an Aquatic Center at the site.

Council Members commented on the MOU signed last year which highlights nine points of significant concern to the issue of site selection and facility completion. There was considerable discussion regarding the two prospective sites: Sobrato and Tennant (T1), with Mayor Pro Tempore Tate and Council Member Sellers reminding Council Members the site selection was the ultimate responsibility of the District, with concerns of the City to be considered (e.g., retention of green space, availability of utilities, sewer and water being provided to the District). Also, discussed was the threat of a lawsuit by the City of San Jose regarding the potential selection of the Sobrato site as the preferred choice.

Mayor Kennedy stressed his continued willingness to meet directly with the Mayor of San Jose and City officials to continue communication to resolve differences in the matter.

Mayor Pro Tempore Tate announced that extended talks with the District would be held September 11.

Mayor Kennedy opened the floor to public comment.

Julie Zintsmaster urged City cooperation with the School District in this critical matter. She said that while the decision to be made affects all of Morgan Hill, the decision is not yet clear cut. She cited several concerns: the fiscal impact on the City of Morgan Hill, open space issues, and the problems with relocating longtime residents. She noted that the Sobrato site of 124 acres is offered as a donation while the T1 site is 72 acres and must be purchased. She said it was important for the City and School District to work together to complete the project in an expeditious fashion. She stated that she understood the threat of a lawsuit by San Jose if the Sobrato Site was chosen and that she could not predict the outcome of such litigation.

Autumn Bernstein, Greenbelt Alliance, recommended that the City provide incentives to the T1 site to make it more attractive. She suggested that if there were no sewer or water hookups, the process would become more cumbersome. She stated that formal comments on the EIR would be provided by her group. She referred to page 162 of the revised EIR requesting that the City Council encourage the School District to remember their obligation.

Larry Carr, School Board Member, and a member of the City-School Liaison Committee, spoke to the Council on the importance of honoring the MOU for the continued integrity of good faith

attempts to move forward. He thanked the City for providing much needed technical expertise which he termed “invaluable.” He said he favors continued talks with San Jose as well as working with the School District to ensure open discussion. He indicated the School District has been diligent in working with San Jose officials to ensure informational exchanges and these attempts have continued for over a year. He further stated that support from San Jose has not been forthcoming as had been hoped. He requested Mayor and Council Members to continue discussions so open dialogue is possible. He noted that at the present time there are 3,000 students and the School District covers 10,000 acres; and that the School Board is interested and responsible for what is best for the students.

Del Foster, President of the School Board, reminded the City Council that decisions are sometimes based solely on budgets. He noted that land costs have escalated greatly in the past two years and that construction costs have risen as well. He expressed concern that if the MOU was not honored, the project would not move forward. He asked for assurances for incentives from the City of Morgan Hill to see the project go forward.

Shelle Thomas, describing herself as “Mom, volunteer, voter” addressed the Council saying “We've been through this before. The project needs to be moved forward.” She indicated the thought of eminent domain proceedings frightens her.

No other comments were offered.

Council Member Chang asked if the Council is willing to obligate dollars for the T1 site as previously outlined by Mayor Pro Tempore Tate?

Mayor Pro Tempore Tate indicated that it is difficult to identify a dollar amount because the benefits are unknown at this time.

Mayor Kennedy, Mayor Pro Tempore Tate, and City Manager Tewes expressed their thoughts that if dollar sharing is to be considered for incentives, there is a need to get the dollar obligation to as near zero as possible.

City Manager Tewes was asked for a report on the matter. He advised the City Council that neither of the proposed sites are located in the City, one being in San Jose and the other in South Santa Clara County. He further stated the City has no legal obligation to provide water and sewer services, and that a scheduled workshop on September 16 should clarify any remaining questions or issues on the MOU. He stated that decisions regarding the project should be known in October.

Councilwoman Cook said she would not mind providing requested incentives if such incentives were directly related to City services such as traffic impact fees, traffic signals, joint development of an aquatic center, alterations to the General Plan. She felt that there were some things that fell within the City's purview to assist the School District if it is linked with city business.

Council Members participated in discussion of the issue with Councilman Sellers offering a summary:

- relocation/eminant domain costs must be addressed and resolved
- participation and factoring of the dollars of the sale of the Sobrato site needs Council and District cooperation
- traffic mitigation issues must be resolved for immediate and long-term solutions
- enhanced recreation usage of the chosen site

Action: *City Council City-School Liaison Committee members noted comments provided by the Council regarding possible incentives (e.g., waive traffic impact fees, assist with the cost of traffic signal installation, shared recreational facilities), timeline for MOU should be identified, Mayor Kennedy offered to meet with San Jose Mayor Gonzalez and to work with School District to achieve goals, T1 site valid site, minimize any potential eminent domain and/or relocation; participation and factoring money that would come from the sale of the Sobrato site; and find ways to enhance recreation.*

8. REVIEW OF THE REVISED DRAFT EIR FOR THE SECOND COMPREHENSIVE HIGH SCHOOL

Planning Manager Rowe presented the staff report. He informed the City Council that the School District would be holding a public hearing on September 16, 2000.

Mayor Kennedy opened the floor to public comment.

Ralph Lyle informed the City Council that he and the Commission submitted further comments on the draft EIR. He indicated that the \$8.8 million does not reflect the Council's nine condition. Therefore, the cost may be less. He felt that the T-1 site was a far superior site as it can be used as a shared facility and is located within Morgan Hill's sphere of influence. He felt that development of the Sobrato site would result in the use of the facilities by Coyote Valley residents versus Morgan Hill residents. He felt that the Tennant site would be good for Morgan Hill and for its future.

Katrina Paterson indicated that she has two children who attend Los Paseo Elementary School who will need to attend a high school in the future. She hoped that the City Council looks for School District direction as they need to take into account all children and their needs. She stated her trust in the School District's site selection. She stated that when the third school bond measure was placed on the ballot, voters took into account the fact that the Sobrato site would be donated land. No other comments were offered.

Mayor Pro Tempore Tate recommended that citizens review the responses as it is a comprehensive, well written document.

Council Member Cook referred to page 1-46 of the EIR that states that the School District is not looking at changing the City boundary. She recommended that the City be compensated for Police and Fire impact fees as the City will be the first to respond. She did not understand why the School District finds a 15 minute response time from the City of San Jose as acceptable. She felt that

the City's contributions need to be addressed in the EIR. She noted that the City of Morgan Hill does not provide water to the Sobrato site and that there was discussion of Great Oaks providing water to the site. The EIR did not state what would happen if the City of Morgan Hill does not provide sewer to the site. She was supportive of the comments submitted by the Planning Commission. She noted that the same criteria used to rank the Sobrato site was not used for the Tennant site. She felt that the scoring would have come out different if the same criteria had been used for both sites.

Council Member Sellers expressed concern that the City of San Jose would pursue litigation if the Sobrato site was to develop, resulting in delay of school construction. He also expressed concern with the fact that the Sobrato site was under Williamson Act contract and was pleased that it was addressed.

Council Member Chang felt that the city should trust the School District to make the best decision for the children of the community. She did not believe that the City should be a road block to the construction of a new high school. She recommended that the City Council do what it can to assist in building the high school. She did not identify a site preference at this time.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0):*

- 1) **Approved** *Report Addressing Deficiencies in the Draft EIR and Direct the City Manager to prepare the Appropriate Written Response to the School District; and*
- 2) **Incorporated** *Council Member Cooks comments (Page 1-46 of the EIR states that the School District is not looking at changing the city boundaries/not annexing into City - this is an MOU issue. Concern if this happens after high school is build, the City is to be compensated for police and fire impact fees because the school will have an impact to the City's police department as the city will be the first to respond any crises that takes place at a high school. Wanted to know why it is acceptable to the School District to have a 15 minute response time for San Jose Police Department. If the City does not provide water to the Sobrato site, the EIR states that Great Oaks Company will supply water to the Sobrato site. This is an alternative way to deliver water service. The EIR did not state what would happen if they did not have City of Morgan Hill sewer. The report did not comment on the evaluation report. The criteria used to rank the Sobrato site was not the same as the conditions of those on the Tennant site. There were a couple of locational criteria that were not ranked for the Tennant site but yet ranked highly on the Sobrato site. She felt that the scoring would have come out differently had the criteria been the same for each location.)*

9. COMMUNITY HEALTH CARE TASK FORCE

City Manager Tewes presented the proposed mission/purpose of the Task Force, indicating that staff

had worked with interested public and members of the medical community for input. He noted that the Task Force is to “sun set” December 20, and needs to have their recommendation in place for the Council by that time. He presented a proposed budget of \$100,000 for the work of the Task Force.

Council Members engaged in discussion regarding all aspects of the work of the Task Force with concerns being voiced that the Task Force must be given clear indications of the duties of the Task Force. Council Members indicated they were supportive of the Task Force, but Council Member Cook felt the approach had become too narrow, indicating that a refocus on a broader band of funding mechanisms might be more appropriate

Council Member Chang suggested that if limitations were placed on the Task Force members all options might not be considered.

Mayor Pro Tempore Tate stated the mission statement should be adopted as presented, noting the work and thought which had gone into it.

Council Member Sellers indicated he is hesitant to limit the mission statement to specifics, thinking that even attempting broadening it might cause concern.

Mayor Kennedy withdrew his recommended alternative mission statement.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **adopted** the mission statement as stated.*

Further discussion on the issue dealt with clarification of budget issues for the Task Force and their time-line obligations on reporting to the Council.

Council Member Cook felt that the recommended \$100,000 budget was outrageous and inquired as to the services that the Blue Ribbon Committee would receive for this budgeted amount? City Manager Tewes responded that the budget can be used for legal assistance, to perform a needs assessment, etc.

Council Member Chang remarked the discussions of community health care had been continuing for a year, and it was time to begin to look at some real decisions.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **approved** the time schedule.*

Action: *It was the consensus of the majority of the City Council to **approve** up to \$100,000 budget.*

Action: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **appointed** a Seven-Person Blue Ribbon Task*

Force on Community Health Care as follows: Karen Anderson (Cook); Kit Greenberg (Chang); Rudy Gonzalvez (Sellers); Colleen Hanamara (Tate); Glenda Garcia, Bernie Mulligan and Joe Mueller (Kennedy).

Action: Mayor Kennedy **appointed** Bernie Mulligan to Chair the Task Force.

Action: On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **agreed** to subject the Task Force to Brown Act requirement.

PUBLIC HEARING

4. ZONING AMENDMENT APPLICATION, ZA-98-11: AMENDMENTS TO PUD ORDINANCE AND ESTABLISHMENT OF STANDARDS FOR FIVE PUD DISTRICTS ON CONDIT ROAD AND EAST DUNNE AVENUE

Director of Community Development Bischoff presented the staff report, using slides and illustrations.

Mayor Kennedy stated that although he was not present at the August 16 and August 23 meetings, he reviewed the video tapes from said meetings. Council Member Chang indicated that she also had the opportunity to review the video for the meeting she missed.

Mayor Kennedy reconvened the public hearing (continued from 8/23/00).

Mitchell Miller, attorney representing Mr. Patel, owner of property located in area 5, addressed his clients concerns as follows: 1) has received site approval for 59 units in a hotel; and 2) if the proposal as presented passed, they would not be able to complete the approved project. He requested that the approved hotel project be allowed to move forward. He stated that if the project were not built, the fiscal impact to the City might exceed \$350,000 annually. He informed the City Council that while planning staff recommended that rather than project limitations, the number of rooms be limited, this had been rejected by the Planning Commission. He stated his belief that rooms were needed in the City and said the development his clients have proposed will enhance revenue to the City. He further pointed out that the record in the Council Member's packets was incomplete in that the April 4, 2000-letter from Interim City Attorney Leichter was omitted. He further identified a problem with not being able to ascertain the values of the properties and asked the Council to promote open competition. He suggested striking the language in the recommendation of Area 5, and substituting language which would permit usage for those properties which had received prior approval; further, striking the height restriction. He said his clients have permission for the hotel they proposed and want to move forward.

Jeff Barnes, who represents proponents of the Harley Davidson dealership, told the Council that he and his clients have worked hard for the dealership location in Area 5 and requested the Council adopt the PUD recommendations.

Bruce Tichinin addressed the Council indicating he also has clients who were waiting to complete approved projects. He indicated if the projects were not completed as approved, it would result in severe hardship for his clients. He urged the Council to review and revise the proposal for Area 5 before adoption.

Council Member Cook indicated concerns with the report on page 66, stating that Area 2 was a sensitive neighborhood and she wants to remove the hotel/motel conditional use. She further stated that area 5 conditional use should contain no motor vehicle dealerships; adding that she is unwilling to see another dealership like some current ones. She said she had presented language for inclusion into the PUD proposal to Planning Director Bischoff. Mr. Bischoff presented slides of Cook's proposal to the Council; Council Members then discussed segments of Council Member Cook's proposal.

Mayor Kennedy expressed his desire to ensure the integrity of the PUD by ensuring a "first class operation."

Council Member Tate said he could support Council Member Cook's proposal, adding that he doesn't want to see vehicle dealerships strung out up and down the Freeway.

Council Member Chang said that while she would support removing the hotel/motel proposal from Area 2, she would have difficulty supporting, and would in fact be opposed to, any more dealerships in the City.

Council Member Sellers said there is an increased demand for hotel/motel rooms in Area 5, that such use is good in Area 5, noting that should hotel/motel construction not be provided such businesses will locate in other areas, with fiscal loss to the city. He asked Mr. Bischoff how the recommendation of limiting lodging rooms to the Planning Commission had come about? Mr. Bischoff replied that based on recommendations at prior meetings, an arbitrary room figure of 400 had been arrived at, but it was not set in stone. This figure would allow one of the two proposed hotels to move forward or expansion of two hotels with no new hotels to be built. Construction would be approved on a first come first served basis. He presented a graph which reflected the numbers of rooms recommended to the Commission.

Joe Mueller, Planning Commissioner addressing the City Council as a citizen, stated the possibility of a second dealership in Area 2 has merit, while indicating the neighborhood had been promised earlier that such action would not occur.

Discussion regarding potential vehicle dealerships continued with Mr. Barnes telling the Council that Ford Motor Company was interested in a site within the City.

Councilman Tate said he would support Cook's proposal if the matter was returned to area 2 for concurrence with neighborhood residents.

No further input being offered, Mayor Kennedy closed the Public Hearing.

Council Member Cook recommended that area 2 be amended to delete hotels and motels and the approval of one automobile and service use.

Council Members Chang and Sellers did not agree to another auto dealership in area 2. Council Member Chang further stated that she would not support another auto dealership in Morgan Hill.

Council Member Sellers felt that it would be a bad faith effort to approve another dealership if a commitment was made to area residents.

Action: *It was the consensus of the City Council to delete hotels/motels from Area 2.*

Action: *It was the consensus of the City Council to add a paragraph that stipulates that uses identified in the PUD are to have well regulated outside uses and have to be conscience of public rights of way in the views.*

Action: *On a motion by Council Member and seconded by Council Member, the City Council unanimously (5-0) agreed to extend the meeting time.*

Council Member Sellers recommended that an additional 450 rooms be allowed in combination with existing units and new hotels to be built. Mayor Kennedy stated his support of the suggested 450 rooms to be approved in the PUD. Council Members Chang, Cook and Tate did not support the recommended 450 room limitation.

Action: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **Approved** the Negative Declaration.*

Action: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0), **Waived** the Reading in Full of Ordinance No. 1488, New Series Establishing Uses and Standards for PUD Areas.*

Action: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council **Introduced** Ordinance No. 1488, New Series by Title Only as follow: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING DEVELOPMENT STANDARDS AND ALLOWABLE USES FOR FIVE PLANNED UNIT DEVELOPMENT (PUD) AREAS, ZA-98-11 by the following roll call vote: AYES: Chang, Cook, Kennedy, Tate; NOES: Sellers; ABSTAIN: None; ABSENT: None, amending Exhibit A, page 2, Area 2 to delete motels and hotels as Conditional Uses; and Modify Area 5, conditional uses, to include a paragraph that states that any of the conditional uses in this PUD have to have well regulated outside use and has to be conscience of public rights of way in the views.*

Council Member Sellers noted that he did not agree with the building height restriction.

Action: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate,*

*the City Council unanimously (5-0) **Waived** the Reading in Full of Ordinance No. 1487, New Series Amending Zoning Standards.*

Action: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council **Introduced** Ordinance No. 1487, New Series by Title Only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AMENDMENTS TO CHAPTERS 18.04, 18.30, AND 18.74 OF THE MORGAN HILL MUNICIPAL CODE, ZA-98-11 by the following roll call vote: AYES: Chang, Cook, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None, amending Section 18.30.090 A.3 to read: “ No building within a PUD shall exceed 30 feet in height except as otherwise authorized by the City Council through the design review process.”*

6. GENERAL PLAN UPDATE STATUS REPORT

Planning Director Bischoff reported because conflicting issues have risen concerning the traffic model for the plan, revisions and updates were required.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Council Member Chang and seconded by Council Member Cook, the City Council unanimously (5-0) 1) **Authorized** the City Manager to Enter Into a Revised Agreement with Crawford Multari & Clark to Modify the Contract for Services for the General Plan; 2) **Appropriated** \$75,000 from the General Plan Update Fund to Cover the Additional Cost of the Traffic Analysis and Unanticipated Issues; 3) **Appropriated** \$18,000 from the Park Development Fund to Include the Parks and Recreation Master Plan in the General Plan; and 4) **Extended** the Time to Complete the Draft General Plan from May 2000 to August 2001.*

7. SANITARY SEWER COLLECTION SYSTEM SMOKE TESTING

Director of Public Works Ashcraft presented information regarding the requirements and need for the project.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Chang, the City Council unanimously (5-0) **authorized** the City Manager to Execute Consultant Service Contract to Villalobos and Associates in the Amount of \$35,965 for Smoke Testing.*

10. FIRE PROTECTION AND EMERGENCY MEDICAL MASTER PLAN

Director of Community Development Bischoff gave the report. Discussion followed regarding the

make up of the Eleven Member Task Force. It was reported that six persons had applied; one being a County employee and the Department for which he works being a technical advisory to the Task Force. This might be viewed as a conflict of interest. Council Members discussed the matter at length, with a decision being made to increase the number of the task force to twelve, including the County Employee discussed.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Council Member Sellers and seconded by Mayor Kennedy, the City Council unanimously (5-0): 1) **Authorized** the City Manager to Execute a Contract in the Amount of \$49,000 with DMG Maximus, and 2) **Appointed** a 12-member Task Force as follows: Mayor Pro Tempore Tate; Planning Commissioner Joseph Mueller, Roslyn Braman, Hal Caplener, Darcy Foster, Brad Krouskup, Sunday Minnich, Robert Pollard, Garry Reese, Scott Schilling, Ken Tougas, and James Xavier.*

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

11. JOINT CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF AUGUST 16, 2000

Action: *On a motion by Council/Agency Member Sellers and seconded by Mayor Pro Tempore/Agency Member Tate, the City Council/Agency Commission, on a 3-0-2 vote with Mayor/Chairman Kennedy and Council/Agency Member Cook abstaining, **approved** the minutes as written.*

12) JOINT REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING MINUTES OF AUGUST 23, 2000

Action: *On a motion by Mayor Pro Tempore/Agency Member Tate and seconded by Council/Agency Member Sellers, the City Council/Agency Commission, on a 3-0-2 vote with Mayor/Chairman Kennedy and Council/Agency Member Chang abstaining, **approved** the minutes as written.*

CLOSED SESSION:

City Attorney Leichter announced closed session items 2 and 3 as listed (items 1 and 4 were not discussed)

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

1.
Legal Authority: Government Code 54956.8 & 54956.9(c) (1 potential case)
Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Road; and APN 728-31-009 - 12.88 acres located on the southeast corner of Cochrane and Highway 101 (St. Louise Hospital property)
City Negotiators: Agency Members; Executive Director; Interim Agency Counsel; and F. Gale Conner, special counsel
Closed Session Topic: Potential Litigation

2.
APN 726-26-001, 2.048 acres
Negotiating Parties
for City: City Manager, Director of Public Works, Gale Conner
for prop. owner: Jay Ross, Hopkins and Caley

3.
APN 726-26-003, 1.237 acres
Negotiating. Parties
for City: City Manager, Director of Public Works, Gale Conner
for property owner: Chin-Hsing and Mei-Chao Hu

4.
CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Legal Authority: Government Code Section 54956.8
Property: APN 817-13-001; 37.8 (Soccer complex)
Negotiating Parties:
For Property Owners: Tadashi & Alice A. Kadonaga, Trustee
For City: Jim Ashcraft; F. Gale Connor; J. Edward Tewes
Under Negotiation: Price and Terms of Payment

PUBLIC COMMENT

Mayor Kennedy opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to closed session 11:58 p.m.

RECONVENE:

Mayor Kennedy Reconvened the meeting at 12:10 a.m.

CLOSED SESSION ANNOUNCEMENT:

City Attorney Leichter announced that no reportable action was taken on Closed Session Items 2 and 3.

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

No items noted.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 12:11 a.m.

MINUTES RECORDED AND PREPARED BY:

Judi Johnson, Minutes Clerk

Irma Torrez, City Clerk